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**DISTRICT ATTORNEY OF THE
TWELFTH JUDICIAL DISTRICT**

Avoyelles Parish, Louisiana

Financial Report

Year Ended December 31, 1998

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7-28-99

TABLE OF CONTENTS

| | <u>Page</u> |
|--|-------------|
| INDEPENDENT AUDITORS' REPORT | 1 |
| GENERAL PURPOSE FINANCIAL STATEMENTS (COMBINED STATEMENTS - OVERVIEW) | |
| Combined balance sheet - all fund types and account groups | 3-4 |
| Comparative statement of revenues, expenditures and changes in fund balances - all governmental fund types | 5 |
| Statement of revenues, expenditures, and changes in fund balance - budget (GAAP basis) and actual - General and Special Revenue funds | 6 |
| Notes to financial statements | 7-14 |
| SUPPLEMENTAL INFORMATION | |
| SCHEDULES OF INDIVIDUAL FUNDS | |
| General Fund: | |
| Comparative balance sheet | 18 |
| Statement of revenues, expenditure and changes in fund balances | 19 |
| Special Revenue Funds: | |
| Combining balance sheet | 21 |
| Combining statement of revenues, expenditures, and changes in fund balances | 22 |
| Combining statement of revenues, expenditures, and changes in fund balances - budget (GAAP basis) and actual | 23 |
| Capital Projects Fund: | |
| Balance sheet | 25 |
| Statement of revenues, expenditures, and changes in fund balances | 26 |
| INTERNAL CONTROL AND COMPLIANCE | |
| Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u> | 28-29 |
| Schedule of findings and questioned cost | 30 |
| Corrective action plan | 31 |
| Schedule of prior year findings | 32 |

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INDEPENDENT AUDITORS' REPORT

The Honorable Eddie Knoll
District Attorney of the Twelfth Judicial District
Avoyelles Parish, Louisiana

We have audited the accompanying general purpose financial statements of the District Attorney of the Twelfth Judicial District, Avoyelles Parish, Louisiana, a component unit of the Avoyelles Parish Police Jury, primary government, as of and for the year ended December 31, 1998, as listed in the table of contents. These financial statements are the responsibility of the District Attorney. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the District Attorney of the Twelfth Judicial District, Avoyelles Parish, Louisiana, as of December 31, 1998, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated June 22, 1999 on our consideration of the District Attorney of Twelfth Judicial District's internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations.

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying financial information listed as "Supplemental Information" in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the District Attorney of the Twelfth Judicial District, Avoyelles Parish, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Kolder, Champagne, Slaven & Rainey, LLC
Certified Public Accountants

Marksville, Louisiana
June 22, 1999

**GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)**

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT
 Avoyelles Parish, Louisiana

Combined Balance Sheet - All Fund Types and Account Groups
 December 31, 1998

| | Governmental Fund Types | | Fiduciary Fund Type | | Account Groups | | | Totals | |
|---|-------------------------|-----------------|---------------------|-------------|----------------------|------------------------|-------------------|------------|--|
| | General | Special Revenue | Capital Projects | Agency Fund | General Fixed Assets | General Long-Term Debt | (Memorandum Only) | | |
| | | | | | | | 1998 | 1997 | |
| Cash | \$ 89,636 | \$ 24,479 | \$ 482,860 | \$ 70 | \$ - | \$ - | \$ 597,045 | \$ 145,074 | |
| Receivables: | | | | | | | | | |
| Commissions on fines and forfeitures | 4,110 | - | - | - | - | - | 4,110 | 4,203 | |
| Indian gaming revenue | 20,768 | - | - | - | - | - | 20,768 | 23,350 | |
| Grant from the Louisiana Department of Health and Human Resources | - | 31,990 | - | - | - | - | 31,990 | 24,251 | |
| Internal Revenue Services - payroll taxes | - | - | - | - | - | - | - | 48 | |
| Due from other funds | 44 | - | - | - | - | - | 44 | 44 | |
| Equipment | - | - | - | - | 50,587 | - | 50,587 | 35,243 | |
| Library books | - | - | - | - | 5,252 | - | 5,252 | 5,252 | |
| Land | - | - | - | - | 76,500 | - | 76,500 | - | |
| Construction in progress | - | - | - | - | 116,541 | - | 116,541 | - | |
| Amount to be provided for retirement of general long-term debt | - | - | - | - | - | 500,000 | 500,000 | - | |
| Total assets and other debits | \$ 114,558 | \$ 56,469 | \$ 482,860 | \$ 70 | \$ 248,880 | \$ 500,000 | \$ 1,402,837 | \$ 237,465 | |

(continued)

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT
Avoyelles Parish, Louisiana

Combined Balance Sheet - All Fund Types and Account Groups (Continued)
December 31, 1998

| | Governmental Fund Types | | | Fiduciary Fund Type | | Account Groups | | | Totals | |
|--|-------------------------|-----------|------------|---------------------|------|----------------|------------|-------------------|------------|------|
| | General | Special | Capital | Agency | Fund | General | Long-Term | (Memorandum Only) | 1998 | 1997 |
| | | Revenue | Projects | | | Fixed Assets | Debt | | | |
| LIABILITIES, EQUITY AND OTHER CREDITS | | | | | | | | | | |
| Liabilities: | | | | | | | | | | |
| Accounts payable | \$ - | \$ 7,181 | \$ 10,765 | \$ - | \$ - | \$ - | \$ - | \$ 17,946 | \$ 978 | |
| Payroll taxes payable | - | 193 | - | - | - | - | - | 193 | - | |
| Due to other governmental units | - | - | - | 26 | - | - | - | 26 | 26 | |
| Due to other funds | - | - | - | 44 | - | - | - | 44 | 44 | |
| General obligation bonds payable | - | - | - | - | - | - | 500,000 | 500,000 | - | |
| Total liabilities | - | 7,374 | 10,765 | 70 | - | - | 500,000 | 518,209 | 1,048 | |
| Equity and other credits: | | | | | | | | | | |
| Investment in general fixed assets | - | - | - | - | - | 248,880 | - | 248,880 | 40,495 | |
| Fund balances - | | | | | | | | | | |
| Unreserved, undesignated | 114,558 | 49,095 | - | - | - | - | - | 163,653 | 195,922 | |
| Unreserved, designated | - | - | 472,095 | - | - | - | - | 472,095 | - | |
| Total fund balances | 114,558 | 49,095 | 472,095 | - | - | - | - | 635,748 | 195,922 | |
| Total equity and other credits | 114,558 | 49,095 | 472,095 | - | - | 248,880 | - | 884,628 | 236,417 | |
| Total liabilities, equity and other credits | \$ 114,558 | \$ 56,469 | \$ 482,860 | \$ 70 | \$ - | \$ 248,880 | \$ 500,000 | \$ 1,402,837 | \$ 237,465 | |

The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT
Avoyelles Parish, Louisiana

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -
All Governmental Fund Types
Year Ended December 31, 1998

| | <u>General</u> | <u>Special Revenue</u> | <u>Capital Projects</u> | <u>Totals (Memorandum Only)</u> | |
|---|-------------------|----------------------------|-----------------------------|-------------------------------------|------------------|
| | | | | <u>1998</u> | <u>1997</u> |
| Revenues: | | | | | |
| Commissions on fines and forfeitures | \$ 84,206 | \$ - | \$ - | \$ 84,206 | \$ 58,437 |
| Victim Assistance Revenue | 25,000 | - | - | 25,000 | 10,417 |
| District court appropriations | 25,000 | - | - | 25,000 | - |
| Indian gaming revenue | 120,143 | - | - | 120,143 | 92,707 |
| Fees for the collection of worthless checks | - | 17,073 | - | 17,073 | 167,574 |
| Grant from the Louisiana Department of Health and Human Resources | - | 189,556 | - | 189,556 | 172,045 |
| Rural development grant | - | - | 20,000 | 20,000 | - |
| Other | 10,219 | 1,315 | 8,913 | 20,447 | 10,562 |
| Total revenues | <u>264,568</u> | <u>207,944</u> | <u>28,913</u> | <u>501,425</u> | <u>511,742</u> |
| Expenditures: | | | | | |
| General government - judicial: | | | | | |
| Salaries and related benefits | 116,380 | 193,000 | - | 309,380 | 303,142 |
| Professional services | 6,415 | - | - | 6,415 | 2,750 |
| Association dues | 11,766 | - | - | 11,766 | 7,279 |
| Restitution payments | - | 14,366 | - | 14,366 | 150,652 |
| Repairs and maintenance | 1,368 | 410 | - | 1,778 | 3,279 |
| Conventions and meetings | 11,657 | 2,315 | - | 13,972 | 12,517 |
| Miscellaneous | 910 | 15 | 53 | 978 | 2,861 |
| Office supplies | 867 | 1,314 | - | 2,181 | 226 |
| Insurance | 2,124 | - | - | 2,124 | - |
| Uniforms | - | - | - | - | 1,268 |
| Utilities | 1,908 | - | - | 1,908 | 1,837 |
| Debt service - | | | | | |
| Principal retirement | - | - | - | - | - |
| Interest and fiscal charges | - | - | - | - | - |
| Capital outlay | 3,690 | - | 193,041 | 196,731 | 3,630 |
| Total expenditures | <u>157,085</u> | <u>211,420</u> | <u>193,094</u> | <u>561,599</u> | <u>489,441</u> |
| Excess (deficiency) of revenues over expenditures | <u>107,483</u> | <u>(3,476)</u> | <u>(164,181)</u> | <u>(60,174)</u> | <u>22,301</u> |
| Other financing sources (uses): | | | | | |
| Proceeds from issuance of debt | - | - | 500,000 | 500,000 | - |
| Operating transfers in | - | 8,200 | 136,276 | 144,476 | 25,300 |
| Operating transfers out | (144,476) | - | - | (144,476) | (25,300) |
| Total other financing sources (uses) | <u>(144,476)</u> | <u>8,200</u> | <u>636,276</u> | <u>500,000</u> | <u>-</u> |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | <u>(36,993)</u> | <u>4,724</u> | <u>472,095</u> | <u>439,826</u> | <u>22,301</u> |
| Fund balances, beginning | <u>151,551</u> | <u>44,371</u> | <u>-</u> | <u>195,922</u> | <u>173,624</u> |
| Fund balances, ending | <u>\$ 114,558</u> | <u>\$ 49,095</u> | <u>\$ 472,095</u> | <u>\$635,748</u> | <u>\$195,925</u> |

The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT
Avoyelles Parish, Louisiana

Combined Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget (GAAP Basis) and Actual -
General and Special Revenue Funds
Year Ended December 31, 1998

| | General Fund | | | Special Revenue Funds | | |
|---|------------------|-------------------|--|-----------------------|------------------|--|
| | Budget | Actual | Variance - Favorable (Unfavorable) | Budget | Actual | Variance - Favorable (Unfavorable) |
| Revenues: | | | | | | |
| Commissions on fines and forfeitures | \$ 75,000 | \$ 84,206 | \$ 9,206 | \$ - | \$ - | \$ - |
| Victim Assistance Revenue | 25,000 | 25,000 | - | - | - | - |
| District court appropriations | 25,000 | 25,000 | - | - | - | - |
| Indian gaming revenue | 130,000 | 120,143 | (9,857) | - | - | - |
| Fees for the collection of worthless checks | - | - | - | 14,000 | 17,073 | 3,073 |
| Grant from the Louisiana Department of Health and Human Resources | - | - | - | 185,000 | 189,556 | 4,556 |
| Other | 6,715 | 10,219 | 3,504 | 850 | 1,315 | 465 |
| Total revenues | <u>261,715</u> | <u>264,568</u> | <u>2,853</u> | <u>199,850</u> | <u>207,944</u> | <u>8,094</u> |
| Expenditures: | | | | | | |
| General government - judicial: | | | | | | |
| Salaries and related benefits | 122,500 | 116,380 | 6,120 | 197,800 | 193,000 | 4,800 |
| Professional services | 4,500 | 6,415 | (1,915) | - | - | - |
| Association dues | 7,500 | 11,766 | (4,266) | - | - | - |
| Restitution payments | - | - | - | 14,250 | 14,366 | (116) |
| Repairs and maintenance | 2,750 | 1,368 | 1,382 | 500 | 410 | 90 |
| Conventions and meetings | 13,500 | 11,657 | 1,843 | 2,500 | 2,315 | 185 |
| Miscellaneous | 500 | 910 | (410) | 500 | 15 | 485 |
| Office supplies | 1,500 | 867 | 633 | 1,000 | 1,314 | (314) |
| Insurance | - | 2,124 | (2,124) | - | - | - |
| Uniforms | 1,250 | - | 1,250 | - | - | - |
| Utilities | 1,000 | 1,908 | (908) | - | - | - |
| Debt service - | | | | | | |
| Principal retirement | 16,500 | - | 16,500 | - | - | - |
| Interest and fiscal charges | 10,300 | - | 10,300 | - | - | - |
| Capital outlay | 4,000 | 3,690 | 310 | 2,500 | - | 2,500 |
| Total expenditures | <u>185,800</u> | <u>157,085</u> | <u>28,715</u> | <u>219,050</u> | <u>211,420</u> | <u>7,630</u> |
| Excess (deficiency) of revenues over expenditures | <u>75,915</u> | <u>107,483</u> | <u>31,568</u> | <u>(19,200)</u> | <u>(3,476)</u> | <u>15,724</u> |
| Other financing sources (uses): | | | | | | |
| Operating transfers in | - | - | - | 20,000 | 8,200 | (11,800) |
| Operating transfers out | (20,000) | (144,476) | (124,476) | - | - | - |
| Total other financing sources (uses) | <u>(20,000)</u> | <u>(144,476)</u> | <u>(124,476)</u> | <u>20,000</u> | <u>8,200</u> | <u>(11,800)</u> |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | 55,915 | (36,993) | (92,908) | 800 | 4,724 | 3,924 |
| Fund balances, beginning | <u>151,551</u> | <u>151,551</u> | <u>-</u> | <u>44,371</u> | <u>44,371</u> | <u>-</u> |
| Fund balances, ending | <u>\$207,466</u> | <u>\$ 114,558</u> | <u>\$ (92,908)</u> | <u>\$ 45,171</u> | <u>\$ 49,095</u> | <u>\$ 3,924</u> |

The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT
Avoyelles Parish, Louisiana

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

As provided by Article V, Section 26 of the Louisiana Constitution of 1974, the District Attorney of the Twelfth Judicial District (District Attorney), has charge of every criminal prosecution by the state in his district, is the representative of the state before the grand jury in his district, and is the legal advisor to the grand jury. He performs other duties as provided by law. The District Attorney is elected by the qualified electors of the judicial district for a term of six years. The judicial district encompasses Avoyelles Parish, Louisiana.

A. Basis of Presentation

The accounting and reporting policies of the District Attorney conform to generally accepted accounting principles (GAAP) as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the industry audit guide, Audits of State and Local Governmental Units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting.

The following is a summary of certain significant accounting policies:

B. Financial Reporting Entity

These general purpose financial statements only include funds, account groups, activities, et cetera, that are controlled by the District Attorney as an independently elected parish official. Based on the criteria established by Government Accounting Standards Board (GASB) Statement No. 14, the District Attorney is a component unit of the Avoyelles Parish Police Jury, primary government (Police Jury). The District Attorney is fiscally dependent on the Police Jury since the Police Jury pays certain salaries and operating expenditures of the District Attorney.

The District Attorney of the Twelfth Judicial District is a part of the district court system of the State of Louisiana. However, the state statutes that created District Attorneys also give District Attorneys control over all their operations. This includes the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Other than salaries and certain operating expenditures of the District Attorney's office that are paid by the Police Jury as required by Louisiana law, the District Attorney is financially independent and operates autonomously from the State of Louisiana and independently from the district court system.

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT
Avoyelles Parish, Louisiana

Notes to Financial Statements (Continued)

C. Fund Accounting

The District Attorney uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the District Attorney are classified as governmental funds. Governmental funds account for the District Attorney's general activities, including the collection and disbursement of specific or legally restricted monies, and the acquisition of general fixed assets. Governmental funds of the District Attorney include:

General Fund

The General Fund was established in compliance with Louisiana Revised Statute 15:571.11, which provides that twelve percent of the fines collected and bonds forfeited within the judicial district be transmitted to the District Attorney to defray the necessary expenditures of his office.

Special Revenue Funds

Special Revenue Funds account for revenue sources that are legally restricted to expenditure for specific purposes.

Capital Projects Funds

Capital Projects Funds account for financial resources to be used for the acquisition or construction of major facilities (other than those financed by proprietary fund, special assessment funds, and trust funds).

Fiduciary Fund-

Agency Fund

The Agency Fund is custodial in nature and does not present results of operations or have a measurement focus. The agency fund is used to account for assets that the District Attorney holds for others in an agency capacity.

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT
Avoyelles Parish, Louisiana

Notes to Financial Statements (Continued)

D. Fixed Assets and Long-Term Liabilities

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in the governmental funds. No depreciation has been provided on general fixed assets.

All fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair value on the date donated. Estimated amounts are immaterial in relation to total fixed assets.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group.

The account groups are not funds. They are concerned only with the measurement of financial position, not with measurement of results of operations.

E. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Commissions on fines and bond forfeitures are recorded in the year earned. Incentive payments are recorded when the District Attorney is entitled to the funds. Interest earned on investments is recorded or accrued as revenues when earned. Substantially all other revenues are recorded when received.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Purchases of various operating supplies are regarded as expenditures at the time purchased.

F. Budget and Budgetary Accounting

The District Attorney of the Twelfth Judicial District prepares budgets for the General Fund and Special Revenue Funds. Formal budget integration within the accounting records is not employed as part of the accounting system. The budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) and were amended during the year by the District Attorney, if appropriate.

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT
Avoyelles Parish, Louisiana

Notes to Financial Statements (Continued)

G. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District Attorney as an extension of formal budgetary integration in the funds.

H. Compensated Absences

Employees of the District Attorney's office do not earn vacation or sick leave.

I. Cash

Cash includes amounts in interest-bearing demand deposits. Under state law, the District Attorney may deposit funds in demand deposits, interest-bearing deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana and may invest in United States bonds, treasury notes, or certificates.

J. Total Columns on Combined Statements - Overview

Total columns on the Combined Statements - Overview are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

K. Comparative Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the District Attorney's financial position and results of operations. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

(2) Cash

At December 31, 1998, the District Attorney had interest-bearing demand deposits (book balances) totaling \$597,045. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT
Avoyelles Parish, Louisiana

Notes to Financial Statements (Continued)

fiscal agent bank. These securities are held by a mutually acceptable third party financial institution in the District Attorney's name, however, the securities may be released only upon the written authorization of the District Attorney, which is the lowest credit risk as defined by the Governmental Accounting Standards Board. Deposit balances (bank balances) at December 31, 1998, are secured as follows:

| | |
|-----------------------------|----------------------|
| Bank balances | <u>\$600,628</u> |
| Federal deposit insurance | \$200,070 |
| Pledged securities | <u>17,699</u> |
| Total | <u>217,769</u> |
| Unsecured bank balances | <u>\$382,859</u> |

(3) The following is a summary of receivables at December 31, 1998:

| | <u>General Fund</u> | <u>Special Revenue Funds</u> | <u>Total</u> |
|-----------------------|-------------------------|--------------------------------------|---------------------|
| Indian gaming revenue | \$20,768 | \$ - | \$20,768 |
| Intergovernmental: | | | |
| State | - | 31,990 | 31,990 |
| Local | <u>4,110</u> | <u>-</u> | <u>4,110</u> |
| Totals | <u>\$24,878</u> | <u>\$31,990</u> | <u>\$56,868</u> |

(4) Changes in General Fixed Assets

A summary of changes in general fixed assets (office furnishings, equipment and vehicles) follows:

| | |
|----------------------------|------------------|
| Balance, December 31, 1997 | \$ 40,495 |
| Additions | 209,760 |
| Deletions | <u>(1,375)</u> |
| Balance, December 31, 1998 | <u>\$248,880</u> |

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT
Avoyelles Parish, Louisiana

Notes to Financial Statements (Continued)

(5) Changes in Long-Term Debt

The following is a summary of long-term debt transactions of the District Attorney for the year ending December 31, 1998:

| <u>General Long-Term Debt</u> | <u>Balance 12/31/97</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance 12/31/97</u> |
|-------------------------------|-----------------------------|------------------|------------------|-----------------------------|
| General Obligation Bonds | <u>\$ -</u> | <u>\$500,000</u> | <u>\$ -</u> | <u>\$500,000</u> |

Long-term debt payable at December 31, 1998 is comprised of the following:

General Obligation Bonds:

| | |
|---|-------------------|
| \$500,000 General Obligation Bonds dated August 31, 1998, due in annual installments of \$40,000 to \$60,000 through July 1, 2008; interest at 5% per annum. | <u>\$ 500,000</u> |
|---|-------------------|

The annual requirements to amortize all long-term debt outstanding at December 31, 1998 including interest payments \$143,403 follows:

| <u>Year Ending December 31, 1999</u> | <u>General Obligation</u> |
|--|-------------------------------|
| 1999 | \$ 60,903 |
| 2000 | 63,000 |
| 2001 | 66,000 |
| 2002 | 63,750 |
| 2003 | 66,500 |
| 2004-2008 | 323,250 |
| | <u>\$643,403</u> |

(6) Retirement Systems

The District Attorney participates in two cost-sharing multiple-employer, public employee retirement systems (PERS): Parochial Employees Retirement System of Louisiana and District Attorneys Retirement System. Each system is administered and controlled by a separate board of trustees.

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT
Avoyelles Parish, Louisiana

Notes to Financial Statements (Continued)

A. Parochial Employees Retirement System of Louisiana

The system provides retirement, disability and death benefits to plan members and beneficiaries. Benefits under the system are established and amended by Louisiana state statutes. A publicly available financial report that includes financial statements and required supplemental information may be obtained by writing to the Parochial Employees' Retirement System, P.O. Box 14619, Baton Rouge, Louisiana 70898.

Plan members are required to contribute 2.0 percent of their annual covered salary and the District Attorney is required to contribute at the statutory rate of 2.50 percent of the annual covered payroll. The District Attorney's contributions to the system for the year ended December 31, 1998 and 1997 was \$2,911 and \$1,373, respectively, which was equal to the required contribution for each year. Participation in the system was effective July 1998.

B. District Attorneys Retirement System

The system provides retirement, disability and death benefits to plan members and beneficiaries. Benefits under the system are established and amended by Louisiana state statutes. A publicly available financial report that includes financial statements and required supplemental information may be obtained by writing to the Louisiana District Attorney's Retirement System, 2109 Decator Street, New Orleans, Louisiana 70116.

Plan members are not required to contribute a percentage of the annual covered payroll. The District Attorney contributed at the statutory rate of 1.25 percent from January 1, 1998 to July 31, 1998 of the annual covered payroll. The District Attorney's contributions to the system for the year ended December 31, 1998, 1997 and 1996 were \$691, \$1,658 and \$2,263, respectively, equal to the required contribution for each year.

(7) Litigation

At December 31, 1998, there is no litigation pending against the District Attorney.

(8) Expenditures of the District Attorney Not Included in the Accompanying Financial Statements

The accompanying financial statements do not include certain expenditures of the District Attorney paid out of the funds of the criminal court, the Avoyelles Parish Police Jury, or directly by the state. A portion of the salaries of the district attorney and assistant district attorneys are paid directly by the state. The Avoyelles Parish Police Jury pays certain salaries and employer contributions of secretarial personnel.

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT
Avoyelles Parish, Louisiana

Notes to Financial Statements (Continued)

(9) Year 2000 Issue (Unaudited)

The Year 2000 issue is the result of computer programs being written using two digits rather than four to define the applicable year. Any of the District Attorney's computer programs that have time sensitive software may recognize a date using "00" as the year 1900 rather than the year 2000. This could result in system failure or miscalculations causing disruptions of operations, including, among other things, a temporary inability to process transactions, or engage in similar normal business activities.

The District Attorney has very minimal use of computer and electronic equipment. Based upon this management feels the effect of the Year 2000 issue on operations will not be material.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the District Attorney is or will be Year 2000 compliant, and that the District Attorney's remediation efforts will be successful in whole or in part, or that the parties with whom the District Attorney transacts business will be Year 2000 compliant.

SUPPLEMENTAL INFORMATION

SCHEDULES OF INDIVIDUAL FUNDS

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT
 Avoyelles Parish, Louisiana
 General Fund

Comparative Balance Sheet
 December 31, 1998 and 1997

| | <u>1998</u> | <u>1997</u> |
|--|----------------------|----------------------|
| ASSETS | | |
| Cash | \$ 89,636 | \$123,906 |
| Receivables: | | |
| Commissions on fines and forfeitures | 4,110 | 4,203 |
| Indian gaming revenue | 20,768 | 23,350 |
| Internal revenue service - payroll taxes | - | 48 |
| Due from other funds | <u>44</u> | <u>44</u> |
| Total assets | <u>\$114,558</u> | <u>\$151,551</u> |
| LIABILITIES AND FUND BALANCE | | |
| Liabilities: | \$ - | \$ - |
| Fund balance: | | |
| Unreserved, undesignated | <u>114,558</u> | <u>151,551</u> |
| Total liabilities and fund balance | <u>\$114,558</u> | <u>\$151,551</u> |

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT
 Avoyelles Parish, Louisiana
 General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
 Budget (GAAP Basis) and Actual
 Year Ended December 31, 1998
 With Comparative Actual Amounts for Year Ended December 31, 1997

| | 1998 | | Variance - Favorable (Unfavorable) | 1997 Actual |
|---|------------------|-------------------|--|------------------|
| | Budget | Actual | | |
| Revenues: | | | | |
| Commissions on fines and forfeitures | \$ 75,000 | \$ 84,206 | \$ 9,206 | \$ 58,437 |
| State of Louisiana - Victim Assistance Revenue | 25,000 | 25,000 | - | - |
| Local support - | | | | |
| District court appropriations | 25,000 | 25,000 | - | - |
| Indian gaming revenue | 130,000 | 120,143 | (9,857) | 92,707 |
| Other revenues | 6,715 | 10,219 | 3,504 | 20,152 |
| Total revenues | <u>261,715</u> | <u>264,568</u> | <u>2,853</u> | <u>171,296</u> |
| Expenditures: | | | | |
| General government - judicial: | | | | |
| Salaries and related benefits | 122,500 | 116,380 | 6,120 | 104,661 |
| Professional services | 4,500 | 6,415 | (1,915) | 2,750 |
| Association dues | 7,500 | 11,766 | (4,266) | 7,279 |
| Repairs and maintenance | 2,750 | 1,368 | 1,382 | 2,524 |
| Conventions and meetings | 13,500 | 11,657 | 1,843 | 11,845 |
| Miscellaneous | 500 | 910 | (410) | 266 |
| Office supplies | 1,500 | 867 | 633 | 164 |
| Insurance | - | 2,124 | (2,124) | - |
| Uniforms | 1,250 | - | 1,250 | 1,268 |
| Utilities | 1,000 | 1,908 | (908) | 1,837 |
| Debt service - | | | | |
| Principal | 16,500 | - | 16,500 | - |
| Interest | 10,300 | - | 10,300 | - |
| Capital outlay | 4,000 | 3,690 | 310 | 1,326 |
| Total expenditures | <u>185,800</u> | <u>157,085</u> | <u>28,715</u> | <u>133,920</u> |
| Excess of revenues over expenditures | <u>75,915</u> | <u>107,483</u> | <u>31,568</u> | <u>37,376</u> |
| Other financing uses: | | | | |
| Operating transfers out | <u>(20,000)</u> | <u>(144,476)</u> | <u>(124,476)</u> | <u>(25,300)</u> |
| Excess (deficiency) of revenues over expenditures and other uses | 55,915 | (36,993) | (92,908) | 12,076 |
| Fund balances, beginning | <u>151,551</u> | <u>151,551</u> | <u>-</u> | <u>139,475</u> |
| Fund balances, ending | <u>\$207,466</u> | <u>\$ 114,558</u> | <u>\$ (92,908)</u> | <u>\$151,551</u> |

SPECIAL REVENUE FUNDS

Title IV-D Fund -

Monies received in this fund consist of incentive payments from the Louisiana Department of Health and Human Resources. The costs of enforcing child support obligations are accounted for in this fund.

Worthless Check Collection Fee Fund -

Monies received in this fund consist of fees collected in accordance with Louisiana Revised Statute 16:15, which provides for a specific fee whenever the District Attorney's office collects and processes a worthless check. Expenditures from this fund are at the sole discretion of the District Attorney and may be used to defray the salaries and expenses of the office of the District Attorney, but may not be used to supplement the salary of the District Attorney.

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT
 Avoyelles Parish, Louisiana
 Special Revenue Funds

Combining Balance Sheet
 December 31, 1998
 With Comparative Totals for December 31, 1997

| | Title IV-D | Worthless Check Collection Fee | Totals | |
|--|-------------------|---|-----------------|-----------------|
| | <u> </u> | <u> </u> | <u>1998</u> | <u>1997</u> |
| ASSETS | | | | |
| Cash | \$ - | \$ 24,479 | \$24,479 | \$21,098 |
| Receivables: | | | | |
| Grant from the Louisiana Department of Health and Human Resources | <u>31,990</u> | <u>-</u> | <u>31,990</u> | <u>24,251</u> |
| Total assets | <u>\$31,990</u> | <u>\$ 24,479</u> | <u>\$56,469</u> | <u>\$45,349</u> |
| LIABILITIES AND FUND BALANCE | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 7,181 | \$ - | \$ 7,181 | \$ 978 |
| Payroll taxes payable | <u>193</u> | <u>-</u> | <u>193</u> | <u>-</u> |
| Total liabilities | <u>7,374</u> | <u>-</u> | <u>7,374</u> | <u>978</u> |
| Fund balance: | | | | |
| Unreserved, undesignated | <u>24,616</u> | <u>24,479</u> | <u>49,095</u> | <u>44,371</u> |
| Total liabilities and fund balance | <u>\$31,990</u> | <u>\$ 24,479</u> | <u>\$56,469</u> | <u>\$45,349</u> |

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT
 Avoyelles Parish, Louisiana
 Special Revenue Funds

Combining Statement of Revenues, Expenditures
 and Changes in Fund Balances
 Year Ended December 31, 1998
 With Comparative Totals for Year Ended December 31, 1997

| | Title IV-D | Worthless Check Collection Fees | Totals | |
|--|-------------------|--|------------------|------------------|
| | <u> </u> | <u> </u> | <u>1998</u> | <u>1997</u> |
| Revenues: | | | | |
| Fees for collection of worthless checks | \$ - | \$17,073 | \$ 17,073 | \$167,574 |
| Louisiana Department of Health and Human Resources grant | 189,556 | - | 189,556 | 172,045 |
| Other | 641 | 674 | 1,315 | 827 |
| Total revenues | <u>190,197</u> | <u>17,747</u> | <u>207,944</u> | <u>340,446</u> |
| Expenditures: | | | | |
| General government - judicial: | | | | |
| Salaries and related benefits | 193,000 | - | 193,000 | 198,481 |
| Professional services | - | - | - | - |
| Restitution payments | - | 14,366 | 14,366 | 150,652 |
| Repairs and maintenance | 410 | - | 410 | 755 |
| Conventions and meetings | 2,315 | - | 2,315 | 672 |
| Miscellaneous | 15 | - | 15 | 2,595 |
| Office Supplies | 1,314 | - | 1,314 | 62 |
| Capital Outlay | - | - | - | 2,304 |
| Total expenditures | <u>197,054</u> | <u>14,366</u> | <u>211,420</u> | <u>355,521</u> |
| Excess (deficiency) of revenues over expenditures | <u>(6,857)</u> | <u>3,381</u> | <u>(3,476)</u> | <u>(15,075)</u> |
| Other financing sources (uses): | | | | |
| Operating transfers in | <u>8,200</u> | <u>-</u> | <u>8,200</u> | <u>25,300</u> |
| Excess of revenues and other sources over expenditures and other uses | 1,343 | 3,381 | 4,724 | 10,225 |
| Fund balances, beginning | <u>23,273</u> | <u>21,098</u> | <u>44,371</u> | <u>34,146</u> |
| Fund balances, ending | <u>\$ 24,616</u> | <u>\$24,479</u> | <u>\$ 49,095</u> | <u>\$ 44,371</u> |

CAPITAL PROJECTS FUNDS

Capital Projects Fund -

To account for the construction of the new DA building. The proceeds from the issuance of the 1998 General Obligation Bonds are used to finance the construction.

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT
Avoyelles Parish, Louisiana
Capital Projects Fund

Balance Sheet
December 31, 1998

ASSETS

| | |
|------|------------------|
| Cash | <u>\$482,860</u> |
|------|------------------|

LIABILITIES AND FUND BALANCE

Liabilities:

| | |
|------------------|-----------|
| Accounts payable | \$ 10,765 |
|------------------|-----------|

Fund balance:

| | |
|------------------------|----------------|
| Unreserved, designated | <u>472,095</u> |
|------------------------|----------------|

| | |
|------------------------------------|------------------|
| Total liabilities and fund balance | <u>\$482,860</u> |
|------------------------------------|------------------|

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT
 Avoyelles Parish, Louisiana
 Capital Projects Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances
 Year Ended December 31, 1998

| | |
|---|--------------------------|
| Revenues: | |
| Rural development grant | \$ 20,000 |
| Miscellaneous | 8,913 |
| Total revenues | <u>28,913</u> |
| Expenditures: | |
| General government - | |
| Bank charges | 53 |
| Capital outlay - | |
| Land | 76,500 |
| New DA building | 116,541 |
| Total expenditures | <u>193,094</u> |
| Deficiency of revenues over expenditures | <u>(164,181)</u> |
| Other financing sources: | |
| Operating transfers in | 136,276 |
| Bond proceeds | 500,000 |
| Total other financing sources | <u>636,276</u> |
| Excess of revenues and other sources over expenditures | 472,095 |
| Fund balances, beginning | <u>-</u> |
| Fund balances, ending | <u><u>\$ 472,095</u></u> |

INTERNAL CONTROL AND COMPLIANCE

KOLDER, CHAMPAGNE, SLAVEN & RAINEY, LLC

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Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

The Honorable Eddie Knoll
District Attorney of the Twelfth Judicial District
Avoyelles Parish, Louisiana

We have audited the general purpose financial statements of the District Attorney of the Twelfth Judicial District, Avoyelles Parish, Louisiana, a component unit of the Avoyelles Parish Police Jury, primary government, as of and for the year ended December 31, 1998, and have issued our report thereon dated June 22, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District Attorney of the Twelfth Judicial District's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under Government Auditing Standards which is described in the accompanying schedule of findings and questioned costs in Part II, Section A.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District Attorney of the Twelfth Judicial District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the District Attorney of the Twelfth Judicial District, Avoyelles Parish, Louisiana. However, this report is a matter of public record and its distribution is not limited.

Kolder, Champagne, Slaven & Rainey, LLC
Certified Public Accountants

Marksville, Louisiana
June 22, 1999

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT
Avoyelles Parish, Louisiana

Schedule of Findings and Questioned Costs
Year Ended December 31, 1998

Part I. Summary of Auditor's Results:

1. An unqualified opinion was issued on the financial statements.
2. No reportable conditions in internal control were disclosed by the audit of the financial statements.
3. An instance of noncompliance was disclosed by the audit of the financial statements.

Part II. Findings Which are Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards:

A. Compliance Findings -

98-1 Deposits Not Adequately Secured

Condition: Reconciliations comparing bank balances to FDIC insurance and securities pledged are not being performed.

Criteria: Internal controls should be in place that provide reasonable assurance that bank balances are adequately secured.

Effect: Deposits in one financial institution were not adequately secured on December 31, 1998 in the amount of \$382,859.

Recommendation: We recommend that controls should be established to monitor that bank balances are properly secured by financial institutions.

Response: We concur with the recommendation. The financial institution has been informed of the inadequate securities pledged and the District Attorney is in the process of implementing procedures to ensure that deposits are fully secured at all times.

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT
Avoyelles Parish, Louisiana

Corrective Action Plan
Year Ended December 31, 1998

| <u>Reference Number</u> | <u>Recommendation</u> | <u>Actions Taken</u> |
|-----------------------------|--|---|
| | <u>Depoits not adequately secured</u> | |
| 98-1 | We recommend that controls should be established to monitor that the bank balances are properly secured by financial institutions. | The financial institution has been informed of the inadequate securities pledged and the District Attorney is in the process of implementing procedures to ensure that deposits are fully secured at all times. |

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT
Avoyelles Parish, Louisiana

Schedule of Prior Year Findings
December 31, 1998

There were no findings and/or management comments mentioned in the December 1997 audit that required follow-up procedures.